

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**PERFORMANCE REPORT FOR MAY 2002**

7/2/2002

	Assets as of May 31, 2002			*RATES OF TOTAL RETURN							
	EMV \$(000)	Actual Alloc	Policy Alloc	Month Ended (preliminary)		Quarter Ended				2002 FYTD	YR Ended 6/30/2001
				May-02	Apr-02	Mar-02	Dec-01	Sep-01	Jun-01		
LARGE CAP EQUITY											
Structured Growth											
Alliance Capital Management	22,136	2.0%	2.3%	-2.35%	-8.68%	-5.89%	15.49%	-20.69%	10.03%	-23.13%	-28.08%
RUSSELL 1000 GROWTH				-2.42%	-8.16%	-2.59%	15.14%	-19.41%	8.42%	-19.00%	-36.18%
Structured Value											
LSV	29,882	2.6%	2.3%	0.19%	0.47%	9.28%	8.73%	-8.79%	8.10%	9.09%	28.93%
RUSSELL 1000 VALUE				0.50%	-3.43%	4.09%	7.37%	-10.95%	4.88%	-3.41%	3.84%
Enhanced S&P Index (1)											
Northern Trust Global Investments	47,797	4.2%	4.5%	-0.58%	-5.91%	0.48%	10.54%	-14.35%	5.69%	-11.01%	N/A
Strong Capital	48,871	4.3%	4.5%	-0.64%	-5.82%	0.82%	11.72%	-15.98%	3.71%	-11.44%	N/A
Westridge Capital	51,587	4.6%	4.5%	-0.67%	-6.03%	0.47%	10.90%	-14.60%	5.60%	-11.18%	N/A
Total Enhanced S&P Index	148,255	13.1%	13.5%	-0.63%	-5.92%	0.59%	11.05%	-14.96%	5.02%	-11.19%	N/A
S&P 500				-0.74%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.69%	N/A
Enhanced Russell 1000 Index (1)											
Los Angeles Capital (Wilshire)	49,527	4.4%	4.5%	-0.59%	-4.96%	1.45%	10.79%	-15.41%	6.52%	-10.17%	N/A
RUSSELL 1000				-0.88%	-5.73%	0.74%	11.11%	-15.23%	6.31%	-11.34%	N/A
S&P 500 Index											
State Street - S&P 500 Index	82,199	7.3%	7.5%	-0.72%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.68%	-14.75%
S&P 500				-0.74%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.69%	-14.83%
TOTAL LARGE CAP EQUITY	331,999	29.3%	30.0%	-0.69%	-5.47%	0.86%	11.03%	-14.80%	6.06%	-10.43%	-11.52%
S&P 500				-0.74%	-6.06%	0.28%	10.69%	-14.68%	5.85%	-11.69%	-14.83%
SMALL CAP EQUITY (2)											
SEI	97,919	8.6%	8.0%	-4.30%	-0.64%	2.37%	20.00%	-20.04%	N/A	-6.60%	N/A
RUSSELL 2000 + 200 bp				-4.27%	1.08%	4.48%	21.59%	-20.29%	14.79%	-2.02%	N/A
TOTAL SMALL CAP EQUITY	97,919	8.6%	8.0%	-4.30%	-0.64%	2.37%	20.00%	-20.02%	-5.80%	-6.58%	1.69%
RUSSELL 2000				-4.44%	0.91%	3.98%	21.09%	-20.79%	14.29%	-3.82%	0.57%
INTERNATIONAL EQUITY											
Int'l Large Cap - Core											
State Street	17,421	1.5%	1.6%	0.85%	-0.12%	1.59%	7.71%	-15.06%	0.60%	-6.38%	-17.93%
MSCI 50% HEDGED EAFE INDEX				-0.34%	-0.74%	1.26%	8.60%	-16.41%	0.15%	-9.07%	-17.95%
Int'l Large Cap - Active											
Capital Guardian	46,638	4.1%	4.0%	-0.50%	-0.66%	0.92%	12.46%	-17.26%	0.85%	-7.18%	-20.14%
Bank of Ireland	9,674	0.9%	0.8%	-0.64%	1.99%	N/A	N/A	N/A	N/A	N/A	N/A
Total Int'l Large Cap - Active	56,312	5.0%	4.8%	-0.52%	-0.21%	0.86%	12.46%	-17.26%	0.85%	-6.84%	-20.14%
MSCI 50% HEDGED EAFE INDEX				-0.34%	-0.74%	1.26%	8.60%	-16.41%	0.15%	-9.07%	-17.95%
Int'l Small Cap - Active											
Lazard	10,185	0.9%	0.8%	4.64%	3.44%	N/A	N/A	N/A	N/A	N/A	N/A
Wellington	9,742	0.9%	0.8%	3.52%	4.32%	N/A	N/A	N/A	N/A	N/A	N/A
Total Int'l Small Cap - Active	19,927	1.8%	1.6%	4.09%	3.87%	N/A	N/A	N/A	N/A	N/A	N/A
SSB Broad Market Index <\$2bn				4.30%	2.80%	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	93,660	8.3%	8.0%	0.68%	0.62%	0.66%	10.06%	-16.14%	0.72%	-5.88%	-18.81%
MSCI 50% HEDGED EAFE INDEX				-0.34%	-0.74%	1.26%	8.60%	-16.41%	0.15%	-9.07%	-17.95%
EMERGING MARKETS											
Value - Active - Commingled											
Capital Guardian	58,410	5.2%	5.0%	-3.28%	-0.02%	10.64%	29.87%	-24.96%	6.98%	4.27%	-29.31%
MSCI EMERGING MKTS FREE INDEX				-1.59%	0.65%	11.41%	26.60%	-21.60%	3.90%	9.53%	-25.93%
DOMESTIC FIXED INCOME											
Core Bond											
Western Asset	57,752	5.1%	4.6%	0.73%	2.64%	0.42%	-0.15%	4.75%	1.37%	8.59%	13.40%
LB AGGREGATE				0.85%	1.94%	0.09%	0.05%	4.61%	0.56%	7.70%	11.22%
Active Duration											
Criterion	56,484	5.0%	4.6%	0.99%	1.51%	0.42%	-0.76%	3.28%	0.67%	5.51%	12.34%
LB AGGREGATE				0.85%	1.94%	0.09%	0.05%	4.61%	0.56%	7.70%	11.22%
Index											
Bank of North Dakota	61,554	5.4%		1.06%	2.21%	-0.17%	-0.09%	5.01%	0.04%	8.19%	11.04%
BND (Match Loan Program)	17,686	1.6%		0.48%	0.46%	1.37%	1.45%	1.43%	1.45%	5.29%	5.89%
Total Bank of North Dakota	79,240	7.0%	7.0%	0.91%	1.74%	1.21%	0.24%	4.19%	0.37%	8.52%	9.79%
LB GOV/CORP				0.92%	1.94%	-0.47%	0.06%	4.76%	0.30%	7.33%	11.13%

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Core											
Strong Capital	60,167	5.3%	4.6%	0.46%	0.49%	-0.85%	0.45%	4.04%	1.17%	4.61%	13.45%
LB BAA BOND INDEX				1.51%	1.55%	-0.23%	0.35%	3.59%	0.79%	6.91%	6.00%
Convertibles											
TCW	54,796	4.8%	4.6%	-3.02%	-3.52%	-1.90%	12.91%	-16.04%	4.87%	-12.99%	-13.58%
1ST BOSTON CONVERTIBLE INDEX				-0.96%	-1.95%	-0.16%	7.67%	-11.01%	4.12%	-7.10%	-11.87%
Timberland											
Evergreen (Wachovia)	21,574	1.9%	2.8%	0.00%	0.00%	0.00%	0.15%	N/A	N/A	N/A	N/A
TOTAL DOM FIXED INCOME	330,013	29.1%	28.0%	0.09%	0.59%	-0.27%	2.09%	0.42%	1.55%	2.94%	6.87%
LB AGGREGATE				0.85%	1.94%	0.09%	0.05%	4.61%	0.56%	7.70%	11.22%
HIGH YIELD BONDS											
Western Asset	60,697	5.4%	5.0%	-1.18%	1.35%	0.53%	5.75%	-4.41%	-1.75%	1.78%	-4.46%
LB HIGH YIELD BOND INDEX				-0.52%	1.56%	1.68%	5.78%	-4.23%	-2.29%	4.07%	-0.96%
INTERNATIONAL FIXED INCOME											
Intl Core											
UBS Global (Brinson)	57,701	5.1%	5.0%	3.80%	3.93%	-1.52%	-3.56%	7.80%	-2.51%	10.45%	-7.58%
SALOMON NON-US GOV'T BOND				3.55%	3.95%	-1.87%	-3.97%	7.75%	-1.97%	9.30%	-7.43%
REAL ESTATE (3)											
Heitman (JMB)	1,033	0.1%		4.74%	4.74%	14.91%	-15.82%	2.13%	1.19%	8.38%	1.92%
Westmark (TCW)	0	0.0%		N/A	N/A	N/A	-10.72%	-4.64%	-8.63%	N/A	25.25%
INVESCO	33,302	2.9%		0.20%	0.20%	0.59%	3.23%	1.39%	2.09%	5.70%	13.52%
J.P. Morgan	28,450	2.5%		0.22%	0.22%	0.65%	1.23%	1.47%	2.41%	3.83%	10.27%
TOTAL REAL ESTATE	62,786	5.5%	5.0%	0.27%	0.27%	0.80%	2.25%	1.34%	2.22%	5.01%	11.92%
NCREIF PROPERTY INDEX				0.55%	0.55%	1.67%	1.58%	1.75%	2.26%	6.25%	11.15%
PRIVATE EQUITY (3)											
Brinson IVCF II	328	0.0%		-0.65%	-0.65%	-1.94%	-11.17%	-18.72%	-1.37%	-30.11%	-32.28%
Coral Partners II	299	0.0%		4.37%	4.37%	13.68%	-31.45%	-27.90%	9.90%	-38.80%	-49.84%
Coral Partners V	11,642	1.0%		-3.28%	-3.28%	-9.51%	-11.30%	-34.09%	-1.35%	-50.51%	19.29%
Coral Partners Supplemental V	782	0.1%		-0.98%	-0.98%	-2.91%	-0.92%	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	2,025	0.2%		-0.52%	-0.52%	-1.56%	-11.87%	-3.49%	-11.40%	-17.15%	-3.63%
Brinson 1999 Partnership Fund	2,478	0.2%		-1.78%	-1.78%	-5.24%	-11.39%	-1.32%	-7.40%	-20.07%	-4.36%
Brinson 2000 Partnership Fund	3,343	0.3%		-1.83%	-1.83%	-5.40%	-4.11%	-0.50%	-2.89%	-13.02%	2.74%
Brinson 2001 Partnership Fund	607	0.1%		-0.19%	-0.19%	-0.58%	-1.75%	-0.12%	1.13%	-2.81%	N/A
Brinson 2002 Partnership Fund	134	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	892	0.1%		-1.17%	-1.17%	-3.46%	-0.95%	-1.98%	-3.16%	-8.45%	2.24%
Brinson 2000 Non-US Partnership Fund	795	0.1%		-2.04%	-2.04%	-5.99%	2.67%	-1.98%	-3.50%	-9.21%	-7.03%
Brinson 2001 Non-US Partnership Fund	324	0.0%		0.22%	0.22%	0.66%	0.66%	0.66%	0.66%	2.44%	N/A
Brinson 2002 Non-US Partnership Fund	111	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	6,089	0.5%		-3.45%	-3.45%	-9.99%	-3.90%	-11.21%	-3.31%	-28.40%	-11.46%
InvestAmerica Lewis & Clark Fund	67	0.0%		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hearthstone	2,858	0.3%		1.34%	1.34%	4.07%	3.57%	2.94%	8.16%	13.95%	8.17%
TOTAL PRIVATE EQUITY	32,772	2.9%	5.0%	-2.07%	-2.07%	-6.07%	-7.28%	-16.22%	-2.20%	-30.03%	2.62%
POST VENTURE CAPITAL INDEX				-3.75%	-3.75%	-10.82%	29.99%	-35.63%	23.87%	-30.86%	-48.23%
CASH EQUIVALENTS											
TNT Short Term Extendable Portfolio	7,705	0.7%	1.0%	0.18%	0.24%	0.48%	0.49%	1.03%	1.34%	2.44%	5.91%
90 DAY T-BILLS				0.18%	0.16%	0.43%	0.64%	1.08%	1.12%	2.51%	5.90%
TOTAL FUND	1,133,661	100.0%	100.0%	-0.60%	-1.29%	0.77%	7.27%	-8.66%	3.68%	-3.12%	-4.12%
POLICY TARGET BENCHMARK				-0.45%	-1.11%	0.64%	8.60%	-8.68%	4.37%	-1.75%	-6.47%
TOTAL VALUE ADDED DUE TO											
Asset Mix				0.05%	0.11%	0.29%	-0.81%	1.15%	-0.33%	0.79%	2.01%
Active Management				-0.20%	-0.29%	-0.15%	-0.42%	-1.12%	-0.33%	-2.17%	0.49%
Total Value Added				-0.15%	-0.18%	0.13%	-1.23%	0.03%	-0.66%	-1.39%	2.50%

(1) Funded between July 25 and August 1, 2000.

(2) Brinson and Nicholas-Applegate were terminated and SEI hired May 18, 2001 with a transition of assets occurring during the month of June.

(3) Monthly returns estimated based on quarters' returns.

**\*NOTE:**

Monthly returns and market values are preliminary and subject to change.  
Returns are net of investment management fees.